



## **IBAO WELCOMES ONTARIO'S PROPOSED AUTO INSURANCE REFORMS**

### **For Immediate Release**

**Toronto, ON – November 2, 2009** The Insurance Brokers Association of Ontario (IBAO) welcomed today's newly announced package of 41 reforms to automobile insurance in Ontario. Introduced by Finance Minister Dwight Duncan, the proposed reforms are based on recommendations provided by the Superintendent of the Financial Services Commission of Ontario's (FSCO's) Five-Year Automobile Insurance Review report, in addition to feedback received from stakeholders.

"We are supportive of the proposed auto insurance reforms announced today," said IBAO CEO Randy Carroll. "They are consumer-focused and should help stabilize auto insurance rates, while still providing the coverage Ontario drivers need."

The Government's package of automobile insurance reforms includes a number of proposals that fall under three categories: measures to protect consumers, measures to increase consumer choice, and measures to streamline the auto insurance system and reduce transaction costs.

One of the key new features for consumers is choice. Consumers will be able to buy coverage better suited for their individual needs and budgets. Consumers who are happy with their current level of coverage can continue to purchase it.

IBAO is very pleased that the Government has taken our advice and will ban objectionable quoting practices related to credit scoring in auto insurance outright. This will protect consumers from insurers using credit scoring to determine whether a driver is insurable or how much to charge a driver for auto insurance.

Ontario's independent insurance brokers continue to put consumers' interests first and have long-championed for the full prohibition of the use of credit scores to determine insurance rates.

"The misuse of credit scores excludes eligible drivers from finding the most economical insurance coverage", said Carroll. "Our members are happy to see recommendations that really put consumers' interests first."

While the IBAO is pleased that the Ontario Government has taken their advice, we will continue to urge the Government to extend this ban to include all personal property insurance lines, such as home insurance.

"In order to put the interests of Ontario's insurance consumers first, a ban on credit rating should, in addition to auto insurance, include personal line property and casualty insurance products," continued Carroll. "We must protect consumers for all their insurance needs, not just auto insurance."

The Minister of Finance intends to implement automobile insurance reforms as part of a regulations package that would become effective in summer 2010 and continue to explore further longer-term measures.

Insurance brokers are known for their commitment to their community and industry. IBAO will continue to work with the Ontario Government, as they move forward, to assist with implementation and education.

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*The Insurance Brokers Association of Ontario (IBAO) is a 'not for profit' association that represents and serves the interests of over 10,000 independent Property & Casualty Insurance Brokers in the Province of Ontario. For information about IBAO, visit [www.ibao.com](http://www.ibao.com).*

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